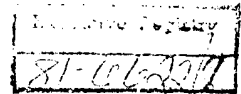


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The Director of Central Intelligence

Washington, D.C. 20505



8 May 1981

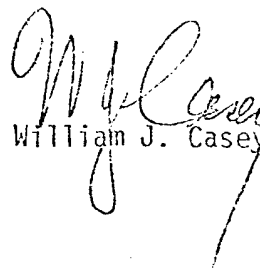
MEMORANDUM FOR: The Honorable Richard V. Allen
Assistant to the President for
National Security Affairs

SUBJECT : Intelligence Capabilities in 1985

Attached is a draft copy of the terms of reference for the study of U.S. intelligence capabilities in the 1985 time frame which you requested in your March 4, 1981 memorandum. The draft has been coordinated with Defense.

I plan to publish the terms of reference to the community officially on May 12, 1981, asking the concerned Departments and Agencies for their support, points of contact within each organization, and action officers to participate where appropriate.

You will note that a completion date of 1 October 1981 is contained in the draft. This may be too optimistic, but I think that it is important to give impetus to the effort now, even if we have to slip the deadline a few weeks at the end.


William J. Casey

Attachment

Distribution:

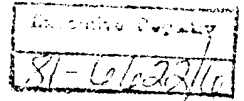
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- 1 - Dir, Exec Staff
- 1 - D/ICS
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The Director of Central Intelligence

Washington, D.C. 20505



8 May 1981

MEMORANDUM FOR: The Secretary of State
 The Secretary of Defense
 Assistant to the President for
 National Security Affairs
 Director, Office of Management and Budget

SUBJECT : Intelligence Capabilities in 1985

The Assistant to the President for National Security Affairs has requested that an estimate of the intelligence capabilities which will be necessary to the United States by 1985 be prepared. Attached is a copy of the approved terms of reference for this estimate.

I would appreciate it if you would designate a senior member of your staff to serve with Admiral Inman on the Executive Steering Group for the study. I do not envision that this Group will meet often, but I do expect that it will provide the overall policy guidance for conducting the effort.

I believe that this estimate will be extremely important to our efforts over the next few years to program the intelligence capabilities we need to plan and effectively carry out national policies across the entire spectrum of U.S. interests. It will not be easy, but I am optimistic. Your support, particularly in our efforts to articulate and document U.S. intelligence requirements in the outyears, will be critical to our success.

William J. Casey
 William J. Casey

Attachment

Distribution *By Ex Sec*

- 1 ea - Above Addressees
- 1 - O/DCI
- 1 - DDCI
- 1 - Dir, Exec Staff
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In a 4 March 1981 memorandum to the DCI, Richard V. Allen, Assistant to the President for National Security Affairs, requested an estimate of the intelligence capabilities that the United States will require in 1985. To ensure we are sufficiently forward-looking, this effort will focus on the 1985-1990 period. The estimate is to serve as a blueprint for incremental augmenting of currently programmed intelligence capabilities and as a guide for outyear funding. As directed, the estimate will be prepared under the leadership of the DCI with interagency support and participation for submission to the President.

This estimate will consist of two principal parts. The first will address intelligence capabilities which support broad national objectives, other than the direct employment of military forces. This section will be prepared by the Intelligence Community under the personal supervision of the DDCI. A second section will address the intelligence capabilities uniquely required by DOD to support combat or other military operations of the U&S Commands. It will be prepared separately by DOD, but submitted as an integral part of the overall estimate. In general, programs funded in non-NFIP accounts will be addressed in the DOD section of the estimate; no precise division of effort will be made, however, between the two sections, since some overlap is inevitable, and indeed, healthy. The approaches taken to produce the two need not be identical, although their respective products must be compatible.

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These terms of reference apply specifically to the approach the Intelligence Community will take to produce the national section of the estimate; moreover, they should also be used as general guidelines to ensure compatibility of the DOD section within the overall estimate.

The Product will consist of a summary report for submission to the President, together with a series of supporting appendices providing additional detail on major subsets of the problem. The summary must be brief, tightly focused on projected deficiencies in programmed intelligence capabilities through the nineteen eighties, with well-reasoned recommendations on how incremental resource commitments might alleviate those deficiencies. Only the most significant issues will be included in the final report.

The estimate will specifically examine at least five categories of intelligence: indications and warning, political intelligence, economic intelligence, military intelligence, and advanced scientific and technical intelligence. (Intelligence support to military forces will be addressed separately, within the DOD section of the estimate.) The estimate should identify deficiencies in specific, major intelligence capabilities or information needs and provide programmatic recommendations for correcting these shortfalls. The report should be structured to result in definitive guidance for the developing of the intelligence program.

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The Organization to produce the estimate will consist of an Executive Steering Committee and a Staff Working Group responsible for the section of the estimate covering national intelligence. The Executive Steering Group will consist of a senior representative from the Department of State, the Department of Defense, the Office of the Assistant to the President for National Security Affairs, the Director of the Intelligence Community Staff, and the Office of Management and Budget; it will be chaired by the DDCI. The DDCI will appoint a Staff Director for the Staff Working Group who will also act as the Recording Secretary for the Executive Steering Committee.

The Staff Working Group, under the direction of the Staff Director, will be responsible for preparing the section of the estimate covering national intelligence. Interested Agencies and Departments will be invited to provide representatives on the Staff Working Group. Composition of the Staff Working Group will be adjusted during various phases of the effort to ensure that appropriate Departments and Agencies are represented when addressing matters for which they have special expertise. Recommendations for composition of the Staff Working Group will be made by the Staff Director of the Staff Working Group for approval by the DDCI, with the advice of the Executive Steering Committee.

Members of the Staff Working Group will be responsible for assembling appropriate representatives from their respective Departments and Agencies to establish for the Group recommended U.S. goals and objectives and to document anticipated deficiencies in national intelligence capabilities and information needs. They will be responsible to the Staff Director for

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ensuring the quality and timeliness of the substantive briefings and reports from their respective Departments and Agencies necessary for the Staff Group to complete the estimate. It is not necessary that a representative assigned to the Staff Working Group necessarily be relieved of all other responsibilities during the period of the assignment; however, during such periods, the requirements of the Staff Working Group must take precedence over other responsibilities if the time schedule for completing the estimate is to be met.

Support to this estimate must be a Community effort. Administrative support will be provided by the IC Staff, and the IC Staff will be responsible for advice to the Working Group on resource management and programmed intelligence resources. Intelligence Program Managers will provide required information and briefings on individual programs as requested by the Staff Director.

The Method for undertaking the estimate should be a three-stage process. First, the challenges which the U.S. faces in the nineteen eighties and the resultant U.S. goals and objectives should be expressed, and the major intelligence capabilities and information needs to support these goals and objectives must be identified. During this phase of the effort, the Staff Working Group should be alert to address specific intelligence issues such as economic and political intelligence required to establish U.S. energy policy, intelligence necessary to develop policies to counter international terrorism, contingency intelligence capabilities which should be extant to respond to unforeseen crises, geographic areas of the Third World likely

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to be of major import to U.S. foreign policy objectives, and intelligence capabilities necessary to support advanced U.S. military research and development.

Secondly, the capabilities programmed for the nineteen eighties should be reviewed, and major potential deficiencies for satisfying documented intelligence requirements should be identified. An explicit part of this step should be the consideration of other government assets which, although not specifically under the cognizance of the Intelligence Community, might still contribute to satisfying U.S. intelligence requirements.

Finally, consideration should be given to what improvements or new capabilities are needed to overcome the established deficiencies. Specific intelligence disciplines should be addressed in this part of the effort, and the entire intelligence process should be considered: collection, processing, analysis, dissemination, and support. It is expected that during this phase of the study, heavy reliance will be placed on Program Managers and the resource management personnel of the IC Staff. To the extent possible within existing time constraints, programmatic recommendations should be based on realistic resource estimates and expectations.

Timing of this estimate should be governed by its relationship to resource decisions to be made during the intelligence program cycle; it must be completed in sufficient time to provide definitive guidelines

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for the intelligence program. The draft estimate, including the executive summary, will be submitted by the DDCI to the NFIC for review no later than 15 September 1981. The final report shall be submitted to the DCI for approval and signature by 1 October 1981. The Executive Steering Committee will be kept fully informed on the schedule of the Staff Working Group. Interim reports from the Staff Working Group will be required periodically by the Executive Steering Committee.

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